

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



G-02527A
Graham County Utilities, Inc.
PO Drawer B
Pima, AZ 85543

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

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RECEIVED

MAR 08 2008

ARIZONA CORP COMM
Director, Utilities

PROCESSED BY:

3-10-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Graham County Utilities, Inc. – Gas Division

Mailing Address PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

(928) 485-2451

Telephone No. (Include Area Code)

(928) 485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russb@gce.coop

Local Office Mailing Address PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

(928) 485-2451

Local Office Telephone No. (Include Area Code)

(928) 485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russb@gce.coop

MANAGEMENT INFORMATION

Management Contact: Russ Barney

(Name)

Finance Manager

(Title)

PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

(928) 485-2451

Telephone No. (Include Area Code)

(928) 485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russb@gce.coop

On Site Manager: Steve Lines

(Name)

PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

(928) 485-2451

Telephone No. (Include Area Code)

(928) 485-9491

Fax No. (Include Area Code)

(928) 651-6024

Cell No. (Include Area Code)

Email Address slines@gce.coop

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Leven B. Ferrin
(Name)

1536 Cherokee Lane Safford Arizona 85546
(Street) (City) (State) (Zip)

(928) 428-1602
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Michael M. Grant
(Name)

2575 East Camelback Road Phoenix Arizona 85016-9225
(Street) (City) (State) (Zip)

(602) 530-8000 (602) 530-8500
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address MMG@gknet.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☒ **Gas**

- ☒ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Total kilowatt-hours sold	_____ kWh
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Maximum Peak Load	_____ MW

GAS UTILITIES ONLY

Total number of customers	_____
Residential	4,782
Commercial	250
Industrial	_____
Irrigation	2
Resale	_____
 Total therms sold	_____ therms
Residential	2,011,144
Commercial	845,941
Industrial	_____
Irrigation	7,016
Resale	_____

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 9 2007
CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham
NAME (OWNER OR OFFICIAL) TITLE Steve M. Lines General Manager
COMPANY NAME Graham County Utilities, Inc. - Gas Division

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,880,713

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 263,095
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

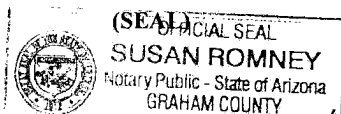
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5th

DAY OF

COUNTY NAME Graham	
MONTH <u>MARCH</u>	20 <u>08</u>



MY COMMISSION EXPIRES

08/02/2008


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
MAR 16 2008
AZ CORP COMM
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Utilities, Inc. - Gas Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>2,855,188</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 194,588
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Steve M. Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5th

DAY OF

(SEAL)



OFFICIAL SEAL
SUSAN ROMNEY
Notary Public - State of Arizona
GRAHAM COUNTY

MY COMMISSION EXPIRES 08/02/2008

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME Graham	
MONTH <u>MARCH</u>	20 <u>08</u>

X Susan Romney
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2007) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

FINANCIAL AND STATISTICAL REPORT**GRAHAM COUNTY UTILITIES, INC.**

GAS SYSTEM

PIMA, AZ 85543

MONTH ENDING**December 31, 2007**

Round ALL AMOUNTS to nearest dollar.

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

3-5-08

DATE

SIGNATURE OF MANAGER

3-5-08

DATE**PART A. STATEMENT OF OPERATIONS****DECEMBER**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Operating Revenue and Patronage Capital	3,994,397	3,617,618	3,528,442	416,092
2. Gas Production Expense	-	-	-	-
3. Cost of Purchased Gas	2,723,492	2,275,031	2,222,107	275,628
4. Transmission Expense	-	-	-	-
5. Distribution Expense - Operations	233,360	276,923	249,149	23,618
6. Distribution Expense - Maintenance	183,526	249,106	201,326	15,541
7. Consumer Accounts Expense	225,293	246,392	256,933	21,366
8. Customer Service and Informational Expense	-	-	-	-
9. Sales Expense	-	-	-	-
10. Administrative and General Expense	261,411	277,724	284,655	24,556
11. Total Operation & Maintenance Expense (2 - 10)	3,627,082	3,325,178	3,214,170	360,710
12. Depreciation and Amortization Expense	111,911	120,112	117,855	10,585
13. Tax Expense - Property	-	-	-	-
14. Tax Expense - Other	-	-	-	-
15. Interest on Long-Term Debt	113,681	102,260	107,236	8,842
16. Interest Charged to Construction - Credit	-	-	-	-
17. Interest Expense - Other	15,742	13,575	30,537	1,890
18. Other Deductions	-	-	-	-
19. Total Cost of Gas Service (11 - 18)	3,868,416	3,561,125	3,469,799	382,027
20. Patronage Capital & Operating Margins (1 - 19)	125,981	56,493	58,643	34,065
21. Non Operating Margins - Interest	6,844	3,138	-	618
22. Allowance for Funds Used During Construction	-	-	-	-
23. Non Operating Margins - Other	-	-	-	-
24. Generation & Transmission Capital Credits	-	-	-	-
25. Other Capital Credits and Patronage Dividends	8,976	9,372	8,976	-
26. Extraordinary Items	-	-	-	-
27. Patronage Capital or Margins (20 - 26)	141,801	69,003	67,618	34,683

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	84	81			
2. Service Retired		-	6. Miles Distribution	220	223
3. Total Services in Place	5,022	5,103			
4. Idle Services (Exclude Seasonal)	-	-	8. Total Miles (5+6+7)	220	223

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	GAS SYSTEM
Round ALL AMOUNTS to nearest dollar.	MONTH ENDING
	December 31, 2007

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	3,805,203	26. Memberships	27,595
2. Construction Work in Progress	24,811	27. Patronage Capital	158,313
3. Total Utility Plant (1 + 2)	3,830,013	28. Operating Margins - Prior Years	
4. Accum. Provision for Depreciation & Amort.	1,972,507	29. Operating Margins - Current Year	56,493
5. Net Utility Plant (3 -4)	1,857,507	30. Non Operating Margins	12,510
6. Nonutility Property _ Net	-	31. Other Margins and Equities	-
7. Invest in Assoc Org - Patronage Capital	-	32. Total Margins & Equities (26 thru 31)	254,911
8. Invest in Assoc Org - General Funds	140,085	33. Long-Term Debt RUS (Net)	-
9. Invest in Assoc Org - Nongeneral Funds	-	(Payments - Unapplied \$	
10. Other Investments	-	34. Long-Term Debt - Other (net)	1,371,100
11. Special Funds	-	(Payments - Unapplied \$	
12. Total Other Property & Investments (6 thru 11)	140,085	35 Total Long-Term Debt(33 + 34)	1,371,100
13. Cash - General Funds	-	36. Notes Payable	-
14. Cash - Construction Funds - Trustee	-	37. Accounts Payable	833,585
15. Special Deposits	-	38. Consumers Deposits	70,165
16. Temporary Investments	-	39. Other Current & Accrued Liabilities	57,302
17. Notes Receivable - Net	-	40. Total Current & Accrued Liab (36 thru 39)	961,051
18. Accounts Receivable - Sales of Gas	275,286	41. Deferred Credits	-
19. Accounts Receivable - Fuel Bank	156,474	42. Miscellaneous Operating Reserves	-
20. Materials & Supplies - Gas & Other	109,478	43. Total Liabilities & Other Credits (32 +	-
21. Prepayments	25,536	35 + 40 thru 42)	2,587,063
22. Other Current & Accrued Assets	-	ESTIMATED CONTRIBUTIONS IN AID TO CONSTRUCTION	
23. Total Current & Accrued Assets (13 thru 22)	566,773	Balance Beginning of Year	759,213
24. Deferred Debits	22,698	Amounts Received This Year (Net)	178,443
25. Total Assets & Other Debits (5+12+23+24)	2,587,063	TOTAL Contributions in Aid of Construction	937,656

PART D. CONSUMER SALES AND REVENUE DATA

CLASS OF SERVICE	THIS MONTH			YEAR TO DATE	
	NO. RECEIVING SERVICE	THERMS SOLD	AMOUNT	THERMS SOLD	AMOUNT
				CUMULATIVE	CUMULATIVE
1. RESIDENTIAL SALES	4,782	243,526	295,418	2,011,144	2,660,601
2. IRRIGATION SALES	2	132	149	7,016	7,661
3. COMM & INDUSTRIAL	250	112,358	118,494	845,941	927,337
4. TOTAL GAS SALES	5,034	356,016	414,062	2,864,101	3,595,598
5. OTHER GAS REVENUE			2,030		22,020
6. TOTAL	5,034	356,016	416,092	2,864,101	3,617,618

PART E. GAS STATISTICS

ITEM	THIS MONTH	YEAR TO DATE	ITEM	THIS MONTH	YEAR TO DATE
1. THERMS PURCHASED	625,160	2,878,810	6. OFFICE USE		
2.			7. UNACCOUNTED FOR	269,144	14,709
3. TOTAL PURCHASED	625,160	2,878,810	8. % SYSTEM LOSS	43.05%	0.51%
			9. MAXIMUM DEMAND		
4. TOTAL SOLD	356,016	2,864,101	10. MONTH WHEN MAXIMUM DEMAND OCCURRED		